

HOUSE BILL No. 1164

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.6.

Synopsis: Property tax deduction for model residences. Subject to certain restrictions, allows a 100% property tax deduction for a model residence for not more than: (1) an assessment date for which the residence is partially assessed; and (2) the first three years for which the residence is fully assessed. Provides that not more than three model residences in Indiana owned by the same owner may qualify for the deduction for an assessment date.

Effective: January 1, 2008 (retroactive).

Herrell, Buck

January 10, 2008, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1164

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12.6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008 (RETROACTIVE)]:

4 **Chapter 12.6. Deduction for Model Residence**

5 **Sec. 1. (a)** As used in this chapter, "model residence" means real
6 property that consists of a single family residence, single family
7 townhouse, or single family condominium unit that:

- 8 (1) has never been occupied as a principal residence; and
9 (2) is used for display or demonstration to prospective buyers
10 or lessees for purposes of potential acquisition or lease of a
11 similar type of residence, townhouse, or condominium unit
12 on:

- 13 (A) the same property; or
14 (B) other property.

15 **(b)** The term does not include any of the land on which the
16 residence, townhouse, or condominium unit is located.

17 **Sec. 2. (a)** This section applies only to a model residence that is

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first assessed as:

- (1) a partially completed structure; or
- (2) a fully completed structure;

for the assessment date in 2008 or a later year.

(b) Except as provided in sections 4, 5, and 6 of this chapter, and subject to section 7 of this chapter, an owner of a model residence is entitled to a deduction from the assessed value of the model residence in the amount of one hundred percent (100%) of the assessed value of the model residence for the following:

- (1) Not more than one (1) assessment date for which the model residence is assessed as a partially completed structure.
- (2) The assessment date for which the model residence is first assessed as a fully completed structure.
- (3) The two (2) assessment dates that immediately succeed the assessment date referred to in subdivision (2).

Sec. 3. A property owner that qualifies for the deduction under this chapter must file a notice with the county auditor to claim the deduction for each assessment date for which the property owner wishes to receive the deduction in the manner prescribed in rules adopted under section 8 of this chapter. The township assessor shall verify each deduction notice filed under this section, and the county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

Sec. 4. (a) A property owner is entitled to a deduction under this chapter for an assessment date for not more than three (3) model residences in Indiana.

(b) The auditor of a county (referred to in this section as the "first county") with whom a notice is filed under section 3 of this chapter shall immediately prepare and transmit a copy of the notice to the auditor of any other county (referred to in this section as the "second county") if the property owner that claims the deduction owns or is buying a model residence located in the second county.

(c) The county auditor of the second county shall note on the copy of the notice whether the property owner has claimed a deduction for the current year under section 3 of this chapter for a model residence located in the second county. The county auditor shall then return the copy of the notice to the auditor of the first county.

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1 **Sec. 5. A property owner may not receive a deduction under this**
 2 **chapter with respect to a model residence located in an allocation**
 3 **area (as defined in IC 6-1.1-21.2-3).**

4 **Sec. 6. A property owner that qualifies for a deduction for a**
 5 **year under this chapter and another statute with respect to the**
 6 **same model residence may not receive a deduction under both**
 7 **statutes for the model residence for that year.**

8 **Sec. 7. If ownership of the model residence changes:**

- 9 (1) **a new owner that continues to use the property as a model**
 10 **residence may claim the deduction under this chapter; and**
 11 (2) **the deduction may not be applied for an assessment date**
 12 **other than the assessment dates to which the deduction could**
 13 **have applied under section 2 of this chapter if ownership had**
 14 **not changed.**

15 **Sec. 8. The department of local government finance shall adopt**
 16 **rules under IC 4-22-2 to implement this chapter.**

17 **SECTION 2. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]**

18 **(a) The department of local government finance may adopt**
 19 **temporary rules in the manner provided for the adoption of**
 20 **emergency rules under IC 4-22-2-37.1 to implement IC 6-1.1-12.6,**
 21 **as added by this act. A temporary rule adopted under this**
 22 **SECTION expires on the earliest of the following:**

- 23 (1) **The date that the department of local government finance**
 24 **adopts another temporary rule under this SECTION that**
 25 **repeals, amends, or supersedes the previously adopted**
 26 **temporary rule.**
 27 (2) **The date that the department of local government finance**
 28 **adopts a permanent rule under IC 4-22-2 that repeals,**
 29 **amends, or supersedes the previously adopted temporary rule.**
 30 (3) **The date specified in the temporary rule.**
 31 (4) **July 1, 2010.**

32 **(b) This SECTION expires July 1, 2010.**

33 **SECTION 3. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]**

34 **IC 6-1.1-12.6, as added by this act, applies only to property taxes**
 35 **first due and payable after 2008.**

36 **SECTION 4. An emergency is declared for this act.**

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